FOR IMMEDIATE RELEASE
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CITY SET TO SAVE $93 MILLION IN BALLPARK REFINANCING PLAN

MAYOR'S PROPOSAL RETURNS OVER $3.7 MILLION EACH YEAR DURING NEW BOND SCHEDULE

At the recommendation of Mayor Jerry Sanders, the San Diego City Council has approved a $172 million bond refinancing measure for the downtown ballpark. The new plan is part of the Mayor's call for a more aggressive approach to reducing costs and improving financial management practices and will save the City more than $93 million over the term of the new bonds.

This private refinancing plan takes advantage of growing confidence in the City's financial standing and includes a unique "revaluation" option that could save the City even more money once it can return to the public finance marketplace. The new plan will retire the original debt incurred during the construction of the ballpark saving the City approximately $3.7 million in each year of the new 25 year bond financing schedule.

"This is the kind of thoughtfully aggressive approach we need for every one of our financial obligations at the City," said Mayor Sanders. "This action is going to save us more than 25% of the original financing costs of the ballpark and will help to rebuild our financial capabilities for the future," he said.

When the City issued the original bonds it was facing significant litigation regarding the ballpark project. That litigation caused uncertainty about the tax-exempt status of the original bonds forcing interest rates much higher than other comparable tax-exempt Lease Revenue Bonds at the time.

"The City paid a steep penalty for those original bonds," said Mayor Sanders. "From the outset of my administration I have directed our financial management team to do everything they could to get us a better deal. By turning to our private financing options, the City is getting out from under a big burden and we will be able to free up much needed cash for other important projects."

Today's action authorizes the issuance of fixed rate Lease Revenue Bonds with the same lease, lease-back structure utilized for the original ballpark bonds. It also provides the City with the ability to realize future savings once its Comprehensive Annual Financial Reports (CAFRs) become available.

"I am confident we'll get to take advantage of this," said the Mayor. "The CAFRs will be complete well within the option period for reoffering the new bonds. Even though we're getting a much better interest rate with this action there will undoubtedly be more savings coming from the public markets. I want to thank the City Council for their support on this issue."

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